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SUBJECT: CHAVEZ GOES INTERNATIONAL AGAIN

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Summary

¶1. (C) President Hugo Chavez visited Uruguay, India, Qatar, and France March 1-9 establishing Ministerial-level commissions and pushing for energy and commercial cooperation. In Uruguay, he pushed regional integration. While in India, he espoused a "new socialism" and supported his idea of a "multi-polar" world, encouraging the Non-Aligned Country Movement and India's bid to become a permanent member of the UN Security Council. Less public in Qatar and France, he returned to Venezuela March 10 to meet Iranian President Mohammad Khatami to whom he offered support for Iran's nuclear power program and to strengthen economic ties with a country that shared his "anti-imperialist" attitude. Throughout the trip, Chavez accused the U.S. of plotting to assassinate him, and threatened to stop selling oil to the U.S. End Summary.

¶2. (U) President Hugo Chavez visited Uruguay (3/1-3), India (3/4-7), Qatar (3/7-8), and France 3/8-9) establishing new ties and attempting to strengthen previously existing relationships in an effort to move towards his "multi-polar" world vision. Foreign Minister Ali Rodriguez, Energy and Petroleum Minister Rafael Ramirez, Science and Technology Minister Marlene Yadira Cordova, Minister of Light Industry and Commerce Edmee Betancourt, Environment and Natural Resources Minister Jacqueline Faria, Health and Social Development Minister Francisco Armando, Communication and Information Minister Andres Izarra traveled with Chavez during all or parts of the trip.

¶3. (U) Throughout the four-country trip, Chavez reiterated his claims that the USG was plotting with or protecting persons allegedly plotting his assassination. His claims were based, Chavez said, both on his information sources and on information shared by Cuban President Fidel Castro. Chavez threatened to cut off the oil supply to the U.S. if "there was aggression against him" or Venezuela. In India, he claimed high oil prices were not OPEC's issue but instead were a result of President Bush's desire to see oil at USD 260 per barrel for personal interests shared by the Secretaries of State and Defense.

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Uruguay and Regional Integration

¶4. (U) Chavez arrived in Montevideo March 1, attended the inauguration of Uruguayan President Tabare Vasquez, and signed letters of intention on communications and energy cooperation between the two countries. Vasquez agreed to discuss possible Uruguayan participation in Petrosur (Chavez's embryonic South America-wide petroleum company) and future participation in Telesur, Chavez's much-touted "South American CNN," according to press reports. Venezuela offered Uruguay concessionary terms for petroleum, including 3 months for payment of 75 percent of Uruguay's oil purchases with the remaining 25 percent to be paid out over the long term (15-25 years). In exchange, Uruguay agreed to supply Venezuela with food and undertake consultations in the areas of technology and software. Chavez referred to the next hundred years as the "Century of Latin America," emphasizing South American alliances like Petrosur and Telesur and welcoming Uruguay's integration into the projects.

¶5. (C) Uruguayan second secretary Fernando Sotelo Vitelio told Poloff March 14 there had been limited awareness and cooperation between the countries previously. Sotelo pointed out that for Uruguay's relationship with Venezuela, commercial interests controlled political decisions. He told Poloff that in Chavez's world of "friend or foe" Uruguay had become part of the "integration of brother countries" and moved from the "foe" to the "friend" category. Sotelo told

Polooff he had already noted an improvement in relations with the GOV, including increased access to officials.

¶16. (U) While in Uruguay, Chavez also met with Argentine President Nestor Kirchner and Brazilian President Luiz Inacio Lula da Silva March 2. The GOV billed the meeting as a starting point towards integration with bilateral agreements serving as building blocks for trilateral agreements, and trilateral agreements as a launching point to encourage regional integration. Recognizing many common problems, according to press reports, the three announced their intent to unify positions before international organizations (such as the World Trade Organization), while still negotiating separately. They also announced the three countries would have Ministerial level meetings on economic, social and banking issues before the South American-Arab summit. This included mention of a commission to work on proposals for a development bank for South America.

India: Opening the Door

¶17. (U) Chavez then traveled to India March 4-7, visiting New Delhi, Bangalore, and Calcutta to look for new areas of cooperation in technology and energy. He lauded India's scientific and technological independence, saying Third World countries had to unite to advance. Chavez told reporters that Venezuela wanted to be a secure and permanent producer of petroleum for India, diversifying its market away from the U.S. Chavez also introduced "new socialism," saying that capitalism's failure meant it was time to redefine a "socialism for the 21st century."

¶18. (U) Chavez signed letters of intent with India on petroleum, hydrocarbons, pharmaceuticals, communication, biotechnology, railroads, and science and technology cooperation. Specifically, India will begin to develop oil fields in Rajasthan with Venezuelan technology and offered India Oil the opportunity to participate in oil exploration projects in Venezuela. The two countries also announced their commitment to revitalize the Non-Aligned Movement and to reform the United Nations, specifically with Venezuela's support for India's effort to obtain a permanent Security Council seat. Chavez and Prime Minister Manmohan Singh also agreed to establish a commission within the next three months to work on topics of cooperation at the Ministerial level.

¶19. C) Indian Deputy Chief of Mission Jeitendra Tripathi said Chavez's visit was long overdue and had first been scheduled for 2000. It was a start, he said, to establishing relations between the two countries that, because of distance and lack of high-level contact, had virtually not worked together in the past five years. Tripathi said the visit opened the door for Ministerial level contact through the commissions. The letters of intent on biotech, oil, and establishment of a high-level commission were a start, but largely symbolic because distance made real commercial cooperation difficult. Tripathi asserted that India wanted to avoid becoming entangled in Venezuela's politics. Chavez's declarations about his "new socialism" and meetings with "insignificant state government officials in Calcutta" made both sides happy, he said, but had no true value.

Qatar: Let's Do Business

¶10. (U) In Qatar March 7-8, Chavez promoted economic cooperation between the two OPEC member countries. He met with the Emir of Qatar, Shaikh Hamad Bin Khalifa Al Thani on his fourth visit to Qatar in the past four years. He signed memorandum of understanding agreements on double taxation, to encourage investments in gas, minerals, and petrochemicals, and to promote commerce and tourism. Venezuela and Qatar signed letters of intent to set up a Binational Commercial Chamber. (Note: Qatar has been offered minority interest in the proposed Mariscal Sucre natural gas project in which Shell has taken the lead. Qatar, however, has never formally accepted, and is not likely to be part of any final deal.)

France: Offering Oil

¶11. (U) Chavez visited France March 8-9, meeting with French President Jacques Chirac and Thierry Desmarest, President of French oil company Total. Total agreed to send a high-level group to Venezuela to discuss cooperation with PDVSA and increased investment in Venezuela, including negotiations on establishing Sincor II, a second heavy crude production project in the Orinoco Belt. Desmarest announced that Total plans to invest over 5 billion dollars in Venezuela over the next 7 years as well as increase its presence in the gas

sector. Chavez said Venezuela wants to become one of France's permanent oil producers because it interested Venezuela to have a "united Europe," a "multi-polar" world. Chavez and Chirac also agreed to establish a high-level commission at the Foreign Minister level to increase cooperation, especially in energy.

¶12. (C) According to the French Ambassador, who attended the meeting, Chirac pressed Chavez on communism (he was not a communist, but a friend of Castro), Colombia (he did not agree with Uribe's approach toward the FARC-ELN, but would not intervene), Bolivia (Evo Morales was a friend, but Chavez advised him to go slow), and Haiti (Chavez opposed the U.S. intervention only in solidarity with the Haitian people).

Iran: Deepening Ties

¶13. (U) Iranian President Mohammad Khatami arrived in Venezuela March 10 for his third official visit in five years. The Ministry of Foreign Affairs billed the trip as a show of consolidation and advancement towards the "multi-polar" world vision that Chavez advocates. Both leaders attacked imperialism, clearly making reference to the U.S., and the war in Iraq. Chavez also declared his support for Iran and its right to develop nuclear power. The two presidents signed 20 agreements including oil, gas, maritime transportation, housing construction, agriculture, and cooperation between central banks, and on geological and mining projects. Khatami also announced Iran's readiness to transfer technology to Venezuela. He later traveled to Ciudad Guayana for the inauguration of a tractor assembly plant, a joint venture between Venezuela parastatal CVG and an Iranian counterpart, and the beginning of construction on a cement plant (reftel A).

Comment

¶14. (C) Some of Chavez's goals were to:

--Present himself and Venezuela as players in the "multi-polar" international arena, politically, economically, and socially;

--Present Venezuela as a future trading partner, to countries that because of distance, lack of interest and focus on the US, it had not been before; and

--Use petroleum and commercial engagement to plant seeds with countries that could help him avoid future U.S. efforts to isolate him.

¶15. (C) Both the Indian and the Uruguayan diplomats intimated that Chavez's visit was like leaving a calling card to help you get through the door the next time. While neither appeared to consider the agreements signed significant, they both saw it as a start to possible future economic relations with Venezuela, which both said had practically never existed before. In Uruguay, there is likely to be a large gap between the grandiose economic commitments made and any major increase in trade - at least in the short term. While Qatar and Iran visits were repeats, Chavez is reaching out to new faces in India and Uruguay, to broaden his circle of friends. Energy and commerce dominated the four visits and Khatami's trip as Chavez aims to expand petroleum trading partners and cultivate allies for his "multi-polar" vision of the world.

In Chavez's "multi-polar" vision, Venezuela would be seen as a major player.
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